

**Introduced by Senator Monning**

February 22, 2013

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An act to amend Section 12923.5 of, and to repeal Sections 12693.925 and 12693.95 of, the Insurance Code, relating to health care coverage.

**LEGISLATIVE COUNSEL'S DIGEST**

SB 677, as introduced, Monning. Health care coverage: agencies: reports.

Existing law requires the Managed Risk Medical Insurance Board to, by January 20, 2004, report to the Legislature specified information with regard to the State Children's Health Insurance Program. Existing law requires the board to provide, by April 15, 1998, a proposal relating to drug and alcohol treatment programs for children.

This bill would delete those obsolete provisions.

Existing law requires the Department of Managed Health Care and the Department of Insurance to maintain a joint senior level working group to ensure clarity for health care consumers about who enforces their patient rights and consistency in the regulations of these departments. Existing law requires the working group to report its findings for review by the Insurance Commissioner and the Director of the Department of Managed Health Care for review and approval and submission every 5 years to the Legislature.

This bill would delete those reporting requirements.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 12693.925 of the Insurance Code is  
2 repealed.

3 ~~12693.925.— (a) The Managed Risk Medical Insurance Board~~  
4 ~~shall report to the Legislature on or before January 30, 2004, the~~  
5 ~~following information with respect to the State Children’s Health~~  
6 ~~Insurance Program:~~

7 ~~(1) A list of the categories of vulnerable children who should~~  
8 ~~be the targets of public health initiatives, including, but not limited~~  
9 ~~to, immigrant children, homeless children, and other children that~~  
10 ~~face health disparities.~~

11 ~~(2) Recommendations on innovative methods available under~~  
12 ~~the federal program for addressing health needs and barriers to~~  
13 ~~care for the identified groups of vulnerable children. The board~~  
14 ~~shall report as many recommendations as possible that are available~~  
15 ~~under the federal program and the expected impact of each~~  
16 ~~recommendation.~~

17 ~~(3) Recommendations on innovative methods available under~~  
18 ~~the federal program for developing in urban areas initiatives similar~~  
19 ~~to the rural demonstration projects. The board shall report as many~~  
20 ~~recommendations as possible that are available under the federal~~  
21 ~~program and the expected impact of each recommendation.~~

22 ~~(b) The board shall seek input, at regularly scheduled meetings~~  
23 ~~of the board, from the Healthy Families Advisory Panel and~~  
24 ~~stakeholder organizations, including, but not limited to,~~  
25 ~~organizations that represent immigrant and homeless populations,~~  
26 ~~other communities that experience health disparities, and traditional~~  
27 ~~providers of care to low-income populations.~~

28 ~~(c) This section shall be implemented only to the extent that~~  
29 ~~federal financial participation is obtained.~~

30 SEC. 2. Section 12693.95 of the Insurance Code is repealed.

31 ~~12693.95.— (a) The board in consultation with the Department~~  
32 ~~of Alcohol and Drug Programs shall provide the Legislature by~~  
33 ~~April 15, 1998, a proposal assessing the viability of providing~~  
34 ~~additional drug and alcohol treatment services for children enrolled~~  
35 ~~in the program.~~

36 ~~If the board determines that it is feasible to provide additional~~  
37 ~~federal funds received pursuant to Title XXI (commencing with~~  
38 ~~Section 2101) of the Social Security Act to counties to finance~~

1 drug and alcohol services and required federal approval is obtained,  
2 the board shall negotiate with participating health plans to establish  
3 memoranda of understanding between plans and counties to  
4 facilitate referral of children in need of these services.

5 (b) Based on the April 15, 1998, report by the board to the  
6 Legislature, the Legislature finds and declares that there is a  
7 statewide gap in publicly funded alcohol and other drug treatment  
8 for adolescents which is significant and systemic.

9 (1) Therefore, the Department of Alcohol and Drug Programs,  
10 in cooperation with the board, shall do the following:

11 (A) Review capacity needs for the Healthy Families Program  
12 target group after year one data has been collected and an  
13 assessment of the adequacy of the benefit can be made.

14 (B) Request that counties provide data on the number of  
15 adolescents requesting alcohol and other drug treatment and  
16 whether they are participating in the Healthy Families Program.

17 (2) The board shall do the following:

18 (A) Request the participating health plans to voluntarily collect  
19 data, as prescribed by the board, on the number of children needing  
20 services that exceed the substance abuse benefit in their plan.

21 (B) Upon contract renewal, require participating health plans  
22 to collect and report the data.

23 (C) By September 1, 1999, provide the policy and fiscal  
24 committees of the Legislature with an analysis of the data obtained  
25 by the Department of Alcohol and Drug Programs and from the  
26 participating health plans.

27 SEC. 3. Section 12923.5 of the Insurance Code is amended to  
28 read:

29 12923.5. (a) The Department of Managed Health Care and the  
30 Department of Insurance shall maintain a joint senior level working  
31 group to ensure clarity for health care consumers about who  
32 enforces their patient rights and consistency in the regulations of  
33 these departments.

34 (b) The joint working group shall undertake a review and  
35 examination of the Health and Safety Code, the Insurance Code,  
36 and the Welfare and Institutions Code as they apply to the  
37 Department of Managed Health Care and the Department of  
38 Insurance to ensure consistency in consumer protection.

39 (c) The joint working group shall review and examine all of the  
40 following processes in each department:

1 (1) Grievance and consumer complaint processes, including,  
2 but not limited to, outreach, standard complaints, including  
3 coverage and medical necessity complaints, independent medical  
4 review, and information developed for consumer use.

5 (2) The processes used to ensure enforcement of the law,  
6 including, but not limited to, the medical survey and audit process  
7 in the Health and Safety Code and market conduct exams in the  
8 Insurance Code.

9 (3) The processes for regulating the timely payment of claims.

10 ~~(d) The joint working group shall report its findings to the~~  
11 ~~Insurance Commissioner and the Director of the Department of~~  
12 ~~Managed Health Care for review and approval. The commissioner~~  
13 ~~and the director shall submit the approved final report under~~  
14 ~~signature to the Legislature by January 1 of every year for five~~  
15 ~~years.~~